(b) Free Trade Agreements (FTAs) with the neighbouring countries are for increase in trade. Necessary incentives have been provided by the Government to the domestic consumer electronics industry to take advantage of FTAs.

(c) Some multinational consumer durable firms have cut down manufacturing operations in India because of competition from the indigenous industry.

Common currency for South Asia

3131. SHRI C. RAMACHANDRAIAH: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether there is any progress on the idea of Common Currency for South Asia as mooted by the previous Government;

(b) if so, what has been the response of other SAARC member nations in this regard;

(c) whether Government have taken up the matter on bilateral basis and also under the aegis of the SAARC; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI E. AHAMMED): (a) to (d) In his Statement at the 12th SAARC Summit in Islamabad, January 4-6, 2004, the Indian Prime Minister had referred to the goal of a common currency for our region. However, no subsequent discussions on this issue have taken place, either bilaterally, or under the aegis of SAARC.

Pakistan help to Nepal

3132. SHRI PRAMOD MAHAJAN:
SHRI MANOJ BHATTACHARYA:
SHRI N.K. PREMACHANDRAN:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government are aware that the visiting Pakistani official delegation to Nepal has offered military aid to Nepal to fight the Maoist insurgents; and

(b) if so, what is the response of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI E. AHAMMED): (a) and (b) Government of India is aware that a Pakistani delegation led by Ms. Hina Rabbani Khar, Minister of State for Economic Affairs, visited Nepal recently in connection with the Fifth Session of the Pakistan-Nepal Joint Economic Commission, held in Kathmandu on March 29-30, 2005.

Government of India is also aware of some press reports suggesting that military supplies from Pakistan to Nepal are under consideration. Government of Nepal is aware of our concerns in this regard. We are seized of the matter and are taking steps as appropriate.

Balance of power in the sub-continent

3133. SHRI HARISH RAWAT:
SHRI R.K. ANAND:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Pakistan being accorded the status of a major Non-Ally of USA has altered the balance of power in the sub-continent; and

(b) if so, what are its implications on Pakistan acquiring conventional weapon, defence preparedness and likely consequences in case of full fledged war with India?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI E. AHAMMED): (a) and (b) With additional weapons and equipment being offered by USA to Pakistan due to grant of Major Non-NATO Ally status, there will be an upgradation in Pakistan's military capability. However, Government have been taking necessary steps to safeguard the security and national interest and will continue to do so in keeping with its assessment of developments pertaining to India's national security.

American Sanctions

3134. DR. AKHILESH DAS: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government have apprised the US Government that India would not purchase any American arms unless the sanctions imposed on various Indian entries are withdrawn by the US; and